THE LEGISLATIVE ASSEMBLY OF
BRITISH COLUMBIA

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LEGISLATIVE ASSEMBLY
PROVINCE OF BRITISH COLUMBIA

February 12, 2008

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Report of the Select Standing Committee on Crown Corporations.

The Report covers the work of the committee from April 19, 2007 to February 6, 2008.

Respectfully submitted on behalf of the Committee,

John Rustad, MLA
Chair

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Composition of the Committee

Members

John Rustad, MLA	Chair	Prince George-Omineca
Guy Gentner, MLA	Deputy Chair	Delta North
Iain Black, MLA		Port Moody-Westwood
Ron Cantelon, MLA		Nanaimo-Parksville
Corky Evans, MLA		Nelson-Creston
John Horgan, MLA		Malahat-Juan de Fuca
Dennis MacKay, MLA		Bulkley Valley-Stikine
Joan McIntyre, MLA		West Vancouver-Garibaldi
Chuck Puchmayr, MLA		New Westminster
John Yap, MLA		Richmond-Steveston

Clerk to the Committee

Craig James, Clerk Assistant and Clerk of Committees

Committee Researcher

Jonathan Fershau, Research Analyst

TERMS OF REFERENCE

On April 19, 2007, the Legislative Assembly agreed that the Select Standing Committee on Crown Corporations be appointed to review the annual reports and service plans of British Columbia Crown Corporations.

In addition to the powers previously conferred upon the Select Standing Committee on Crown Corporations, the Committee be empowered:

a. to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;

b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;

c. to adjourn from place to place as may be convenient; and

d. to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

COMMITTEE PROCESS

On April 19, 2007, the Legislative Assembly of British Columbia approved a motion instructing the Select Standing Committee on Crown Corporations (the Committee) to review the annual reports and service plans of B.C.'s Crown corporations. In its oversight role, the main objectives of the Committee are to enhance the accountability and improve the performance reporting of British Columbia's Crown corporations.

During the third session of the 38th Parliament, the Committee held a total of four meetings. At its first meeting on March 26, 2007, the Select Standing Committee on Crown Corporations elected John Rustad, MLA as Chair and Guy Gentner, MLA as the Deputy Chair. The Committee also resolved that its sub-committee on agenda and procedure consist of the Chair and Deputy Chair.

Subsequently, the Committee reviewed the performance reporting documents of the Columbia Power Corporation (November 13, 2007), the Industry Training Authority (January 16, 2008), and the First Peoples' Heritage, Language and Culture Council (February 6, 2008). The meetings marked the first reviews of the operations of these Crowns by the Committee.

The Crown Corporations Committee would like to acknowledge the continued cooperation of the senior officers of the Crown corporations who appeared before the committee, as well as representatives from the Crown Agencies Secretariat.

Minutes and transcripts of committee meetings, as well as a copy of this report, are available on the Legislative Assembly website at: www.leg.bc.ca/cmt/cc.

REVIEW OF COLUMBIA POWER CORPORATION

On November 13, 2007, the Select Standing Committee on Crown Corporations met with senior officials of the Columbia Power Corporation (CPC) and reviewed the following documents:

- Columbia Power Corporation, *Annual Report 2006/07,*
- Columbia Power Corporation, *Service Plan 2007/08-2009/10,* and
- Columbia Power Corporation, *Shareholder's Letter of Expectations,* (January 8, 2006).

SUMMARY OF PRESENTATION

The Chief Executive Officer provided the Committee with an overview of the Columbia Power Corporation's mandate, business models; recent milestones; performance measures; key assumptions and risks associated with the development operations of the Corporation's power generating assets; and a discussion on how the operations of the CPC meet the government's strategic priorities. The witness also provided the Committee with a summary of the some of the major completed or planned projects undertaken by the Corporation.

With respect to Columbia Power Corporation's operations, the witness noted that CPC's mandate is fourfold:

- to develop core power projects and other qualifying generation, transmission, and distribution projects in the Columbia Basin,
- to earn an acceptable rate of return given operational risks,
- to finance projects on commercial terms without government guarantees, and
- to promote employment, economic development and new industry through environmentally-sound, cost-competitive power project investment.

The Columbia Power Corporation's primary power generating assets include the Arrow Lakes Generating Station; the Brilliant Dam and the Brilliant Expansion. In addition, Columbia Power Corporation is responsible for managing the proposed Waneta Dam Expansion project. These assets are managed by the Corporation on behalf of a joint venture agreement in place between the Corporation and the Columbia Basin Trust.

Regarding Columbia Power Corporation's business model, the CEO stated that Columbia Power Corporation follows a public-private partnership model in developing its projects. The Corporation relies on a contracting out model for project planning, project design, finance, construction, operations, maintenance and marketing.

To evaluate the on-going fiscal and corporate performance, the Corporation has developed four goals and eleven performance measures based on the CPC's business model. The primary goals of the Corporation include:

- providing effective project management;
- ensuring reliable plant operations;
- providing effective financial planning; and
- overseeing efficient joint venture management.

The chief executive officer also outlined the major changes and assumptions relevant to the Corporation's future performance. Operating challenges faced by the Corporation included recoveries from the design-build contractor responsible for the construction of the Arrow Lakes Generating Station permanent channel; commercial operation of the Brilliant Dam expansion; environmental permitting delays for the Waneta Dam expansion project. Other operating issues identified by the witness included the required deferral of issuance of long-term bonds to finance the Waneta Dam expansion; price forecasts for power generation; currency exchange risks; as well as costs associated with corporate restructuring and the closure of the Victoria office.

Finally, referencing the government's strategic priorities, the witness highlighted some of the economic benefits provided by the Corporation, including:

- expected net income of $90 million from 2007/08 to 2009/10 for the Province and the Columbia Basin Trust;
- $41 million generated in taxes, grants in lieu, and water rentals; and
- through the Waneta Expansion proposal, 680 person-years of direct employment (with 75 percent local hires) and a projected $25 million in local procurement/

The CEO also noted that the Columbia Power Corporation's operations would contribute clean, green, renewable energy without the need for new dams. With respect to the government's relationship with First Nations, the witness highlighted CPC's commitments to hiring First Nations trades people on its projects; conducting appropriate ethnological and archaeological studies as a part of pre-construction work; as well as funding an on-going First Nations Community Benefit and Sponsorship Program.

COMMITTEE INQUIRY

Arising from the presentation made by the President and Chief Executive Officer of the Columbia Power Corporation, committee members identified the following issues for additional investigation:

- risk management,
- apprenticeship training opportunities, and
- relationship with the Columbia Basin Trust.

Members also asked the witnesses for more information on Columbia Power Corporation's role in moving British Columbia towards electricity self-sufficiency; Crown agency versus public company reporting requirements; status of the *First Nations Benefit Program* and the *First Nations Community Sponsorship Program*; and the status of benefits accruing to the province under the Columbia River Treaty.

RISK MANAGEMENT

One theme of the committee members' inquiry focussed on Columbia Power Corporation's risk management and mitigation strategies. Specifically, Members asked the witness to comment on the status of on-going litigation; consistency of long-term water flows for both power generation and environmental stewardship; risks associated with the sale of power from the Waneta Dam expansion project; risks associated with future renegotiation of the Columbia River Treaty; and future strategic plans for the Corporation.

Litigation

Noting that on-going legal claims may create uncertainty concerning financial outcomes, Members asked the witness to elaborate on the status of litigation with respect to the Arrow Lakes channel claim and the Brilliant Dam expansion project. In addition, some Members requested information on the costs associated with these claims.

With respect to on-going litigation involving Columbia Power Corporation, the Chief Executive Officer explained that issues arising from the Arrow Lakes channel claim pertain to "fundamental design characteristics of the plant and the contractor's interpretation." The Corporation has received compensation from its insurer for that project. Concerning the Brilliant Dam expansion, the Corporation believes that there is a "solid case" against the contractor pertaining to geotechnical work conducted. The witness also explained that part of the delay associated with the Waneta Expansion project is to ensure due diligence pertaining to the allocation of project risk is fairly allocated between the contractor and the Corporation.

In total, the witness explained that the Corporation budgets approximately $3 million per year for legal fees. The Corporation reported a positive variance in legal costs for the previous year, primarily due to the Corporation's insurer providing compensation for some legal costs.

Water flows

An on-going concern for the Crown Corporations Committee has been whether B.C.'s power generating commercial Crowns have made adequate plans in light of climate change and diminishing water access. To this end, Members asked the witness to discuss the arrangements the Corporation has made with B.C. Hydro to ensure consistent access to water, and subsequently, consistent revenue streams. Members also asked the witnesses to discuss whether environmental stewardship with respect to water flows is considered when making decisions on power generation.

In response, the chief executive officer stated that the Columbia Power Corporation has negotiated an entitlement agreement with B.C. Hydro that permits B.C. Hydro to optimize water flows and system-wide power generation without penalizing revenues derived from Columbia Power Corporation's generating assets. The vice-president added that as the entitlement agreements concerning flow-sets span decades, risks associated with water flows are mitigated.

With respect to long-term management of the water resources, the witnesses added that the Corporation has been involved with B.C. Hydro's long-term water use planning programs, as well as the U.S. Army Corps of Engineers' VARQ (variable discharge, or "variable Q") alternative flood control operational planning for the Upper Columbia River. However, the witness also noted that B.C. Hydro, as the primary system operator, is primarily responsible for long-term hydrological planning.

Waneta power sales

In the Committee's 2006 review of BC Hydro, committee members canvassed the chief executive officer of BC Hydro on the Authority's interest in purchasing power generated from the Waneta Dam expansion project. At that time, the CEO of BC Hydro signalled an interest in the project's power outputs if it was "properly-sized and if it makes economic sense." Specifically, the chief executive officer noted that BC Hydro may be interested in the project particularly if the project has local support and can be permitted.

Committee members asked the witnesses from the Columbia Power Corporation for a status update on negotiations between the Corporation and BC Hydro over power sales from the Waneta Expansion project.

In response, the chief executive officer of the Corporation replied that he is "cautiously optimistic" and that the Corporation is working "quite cooperatively" with BC Hydro to achieve those objectives. The vice-president added that one of the historic obstacles in developing a purchasing agreement has been the difficulty in fashioning calls for energy that accounts for Columbia Power Corporation's storage capacity and power generating assets.

The chief executive also added that before the project can proceed, there must be certainty that confirmed buyer in place to purchase the power generated from the expansion project. While Columbia Power Corporation's first preference for a buyer is B.C. Hydro, the witness added that "a number of people approach us that are interested in buying the power from Waneta."

Columbia River Treaty

Noting that notice of re-negotiation of the Columbia River Treaty can occur in 2014, and that British Columbia benefited greatly from the United States' refusal to sign on to the Memorandum of Negotiators' Agreement and Principles for Delivery and Disposition of the Canadian Entitlement, committee members asked the witnesses to elaborate on their anticipated role in the negotiations — particularly given that Columbia Power Corporation's assets are on international rivers.

The chief executive officer responded that BC Hydro is the designated Canadian negotiating entity in the treaty and will be responsible for any future negotiations with the United States. The Board Chair added that he anticipates that the Corporation will be invited to sit on a steering committee to formulate B.C.'s position vis-à-vis Columbia River Treaty issues.

Strategic planning

Several Members inquired into Columbia Power Corporation's long-term plans beyond the Waneta expansion project. In particular, Members asked the Chair of the Corporation's whether CPC had considered developing other hydroelectric and non-hydroelectric opportunities within the region.

In response, the Board Chair noted that there were other opportunities present for diversification with the region; however, Columbia Power Corporation has yet to undertake a post-Waneta expansion strategic plan. Furthermore, any such plans would require both approval of the Board of Directors and the provincial government.

APPRENTICESHIP TRAINING

Several Members made inquires into apprenticeship training opportunities associated with Columbia Power Corporation's various projects. In particular, Members requested the witnesses to provide a detailed response on apprenticeship training opportunities for First Nations.

In a detailed written response received on November 26, 2008, the chief executive officer outlined the Columbia Power Corporation's efforts in recruiting apprentices.

> *Columbia Power Corporation (CPC) employed 52 First Nations persons on the Brilliant Expansion Project in a range of trades from carpenters and ironworkers to pipe fitters and sheet metal workers. There were also eight First Nation apprentices who participated in the project including ironworkers, pipe fitters and wire person apprentices.*

In regards to First Nation trades people and/or apprentice participation in the Arrow Lakes Generating Station, 84 persons of aboriginal descent were part of that project.

In accordance with the terms of the Collective Agreement between the Allied Hydro Council and Columbia Hydro Constructors established for the acquisition of workers for the construction of CPC's power projects, it is expected that a comparable number of First Nations persons will be employed on the Waneta Expansion Project.

As part of the Arrow Lakes Generating Station project construction, the Keenleyside First Nations Training Opportunities Program provided a total of $30,000 in funding for First Nations persons to support skills bridging and apprenticeship training for members of Columbia Basin First Nations. Columbia Basin First Nations are comprised of the Ktunaxa/Kinbasket Tribal Council, the Okanagan Nation, the Shuswap (Secwepemc) Nation and the Lower Columbia All First Nations' Council.

The Keenleyside First Nations Training Opportunities Program was administered by a panel of representatives from each Columbia Basin First Nation noted above.

As part of the Brilliant Expansion project construction, funds provided through the First Nations Community Benefits Program agreements were used by individual First Nations Councils to support trades training. For example, funds supplied to the Shuswap (Secwepemc) Nation were used to support their Aboriginal Apprenticeship and Industry Training (AAIT) program.

Along with the First Nations apprenticeship opportunities noted above, many non aboriginal apprentices participated in the construction of the Arrow Lakes Generating Station and the Brilliant Expansion in accordance with the terms of the Collective Agreement between the Allied Hydro Council and Columbia Hydro Constructors established for the acquisition of workers for the construction of CPC's power projects.

CPC also supports trades training through its awards and scholarship program. Along with scholarship funds that are distributed to each secondary school in the Columbia Basin, which may be applied by successful applicants towards trades skill development, CPC also provides two special awards at Selkirk College specifically for trades training - the Columbia Power Skilled Trades Exploratory Program for Women and the Arrow Lakes Generating Station Millwright's Memorial Scholarship.

COLUMBIA BASIN TRUST MODEL

Some Members asked the witnesses to elaborate upon the working relationship that exists between the Columbia Power Corporation and the Columbia Basin Trust. Members asked for the witnesses' opinions on whether the Columbia Basin regional economic development model could be transferred to other regions of the province — specifically areas potentially-affected by the proposed Site C dam development of the Peace River.

In his response, the chief executive officer noted that Columbia Power Corporation acts as the project manager for power projects, while the Trust serves as a financial partner in undertaking joint venture projects. With respect to governance, two of the Columbia Power Corporation's board members are nominated by Columbia Basin Trust. In addition, the Corporation works closely with

the Trust in identifying and coordinating First Nations interests with respect to project development and construction.

With respect to whether this model could be used in other jurisdictions, the Board Chair responded that the joint venture model works in this case largely due to the positive working relationship between the two partners. With respect applications beyond the Columbia River Basin, the Chair indicated that it could work in other jurisdiction: however, neither party has been approached to provide advice on speculative plans for the Peace River region.

REVIEW OF INDUSTRY TRAINING AUTHORITY

On January 16, 2008, the Select Standing Committee on Crown Corporations met with senior officials of the Industry Training Authority (ITA) and reviewed the following documents:

- Industry Training Authority, *Annual Report 2006/2007*,
- Industry Training Authority, *Service Plan 2007/08 – 2009/10*,
- Industry Training Authority, *Performance Measurement Report* (November 30, 2007), and
- Industry Training Authority, *Updated Shareholder's Letter of Expectations* (January 8, 2008).

SUMMARY OF PRESENTATION

The Chief Executive Officer of the Industry Training Authority outlined for the Committee the ITA's mission statement, operating environment, historical development, service plan priority areas, and future challenges and opportunities.

Established as a Crown corporation in 2004, the ITA's mandate is to "govern and advance British Columbia's training system, primarily on direction from industry." Building on its mandate, the ITA service plan revolves around the Authority's vision to ensure that "British Columbians have affordable access to quality, responsive, integrated and accountable industry training that meets the needs of industry and learners." To measure its success, the ITA has established six distinct organizational goals, including:

- expanding the supply-side and demand-side participation;
- providing infrastructure to assure active and effective industry engagement and leadership;
- expanding training accessibility and flexibility through introduction of innovative alternative technical training models;
- managing program delivery and funding through an effective financial and accountability framework;
- ensuring high-quality program standards and high levels of client satisfaction with ITA services; and
- ensuring high levels of stakeholder awareness and intent to participate by target groups, through communications and marketing initiatives.

With respect to the key challenges and opportunities facing the Industry Training Authority, the chief executive officer identified several issues including: ensuring the efficient distribution of resources to meet training system capacity; working with industry partners to provide full service and sustainable Industry Training Organizations; addressing apprenticeship waitlists to meet the needs of apprentices, training institutions, and employers; and ensuring inter-provincial labour mobility of individuals with Red Seal certifications. Other opportunities for the Authority include the collection of better labour market information, sustained industry engagement and increased public awareness concerning issues pertaining to the skilled trades.

COMMITTEE INQUIRY

Arising from the presentation made by the Industry Training Authority, committee members identified the following issues for additional examination:

- trades training opportunities,
- assessments of qualifications, and
- the status of ITA's performance measurements.

In addition, Members asked the witnesses specific questions pertaining to trades training opportunities in the mining sector; the challenge program for chef training, and the involvement of trade unions in the development and monitoring of trades programs; and whether multi-disciplinary trades training programs were still being offered by the colleges.

TRADES TRAINING OPPORTUNITIES

Members asked the witnesses to elaborate on the ITA's goals concerning opportunities for youth to be exposed to trades opportunities in high schools; learning opportunities with B.C.'s post-secondary institutions, as well as the ITA's potential involvement in re-training displaced forestry workers.

High school programs

Several Members requested that the witnesses provide the Committee with information on the programs co-ordinated and funded by the Industry Training Authority to encourage high school students to consider a career in trades programs. Specifically, Members sought additional information on the various trades-related programs available to youth in B.C.'s schools and the uptake of trades-related programs by local Boards of Education.

The witnesses highlighted three programs available for high school-aged youth considering a career in the trades. These programs include:

- *YES 2 IT* (Youth Exploring Skills to Industry Training) — a joint initiative of the Industry Training Authority and the Ministry of Education designed to increase awareness of trades amongst younger students, those in grades 6 to 9, as well as their parents, educators and communities.
- *ACE IT* program (Accelerated Credit Enrolment in Industry Training) — a dual-credit, industry certification program that enables secondary school students to earn both high school graduation credits *and* credit for the first level of the technical training part of an Industry Training program or apprenticeship; and
- *Secondary School Apprenticeship* program and scholarships — a program that encourages students to work towards accreditation in an apprenticeable trade by providing both high school course credit and financial aid for students continuing in the trades post-graduation.

The vice-president of customer service added that the ITA has worked closely with the Ministry of Education and sector organizations such as the B.C. Construction Association to increase both the awareness of trades programs and to provide hands-on credit opportunities for youth.

With respect to the demand for trades programs in high schools, the chief executive officer reported that the Industry Trade Authority currently supports programs in approximately 47 of the province's 60 school districts. The witnesses explained that the uptake of trades-training programs in B.C.'s

schools is dependent upon several factors such as priorities of the local districts; whether trades training champions are present within the district, as well as parent and student demand for such programs.

Post-secondary programs

Members sought the witnesses' opinions on whether sufficient resources were being provided to post-secondary institutions to meet apprenticeship training demands and the progress being made by the institutions to match students to resources. Members also sought a commitment from the Industry Training Authority to ensure that transitional resources are available to workers looking to retrain or upgrade their skills due to a downturn in the forestry sector.

The Chief Executive Officer responded by indicating that at present, British Columbia spends approximately 5 percent of its total post-secondary education budget on trades training. The witness indicated that the ITA will consider developing benchmark information and review whether B.C.'s current funding for trades training is in line with other jurisdictions.

Noting the possibility that the immediate demand for trades training spaces may not synchronize with the government's committment to a significant expansion of trades training spaces in B.C.'s post-secondary institutions, Members sought more information on the steps being taken by the ITA to ensure that institutional supply of programs and spaces matched regional and industry demands.

In reply, the witness acknowledged that there is currently a "not small" cohort that have yet to receive technical training due to the strong economy — and there is some concern that there may be increased demand for technical training beyond the post-secondary education system's capacity. The Chief Executive Officer stated that the Industry Training Authority is working closely with the colleges to develop a system-wide waitlist management system in an effort to match program supply with apprentice demand. In addition, the colleges are working with the various industry associations to ensure that potential candidates develop a schedule for undertaking coursework.

The Chief Executive Officer also confirmed that the ITA is working closely with institutions such as the College of New Caledonia to ensure that appropriate training programs are in place once the decline in forestry employment is evident.

ASSESSMENT OF QUALIFICATIONS

Committee members raised several issues pertaining to the assessment of skills for foreign-trained workers. In addition, some Members asked questions pertaining to what role the Industry Training Authority will play in assessing the qualifications of skilled trades workers moving between Alberta and British Columbia.

Foreign credentials and skills

Some Members asked the witness to elaborate on the Industry Training Authority's roles in assessing the credentials of foreign workers. In particular, Members requested information on specific trades under consideration for targeted increases of immigration, as well as the ITA's methodologies in assessing employee credentials. Furthermore, Members sought information on the ITA's efforts to provide literacy and numeracy upgrading for both immigrants and domestic workers alike.

In response, the witness stated that British Columbia is currently facing a shortage of skilled trades — particularly in the electrical trades, carpentry and plumbing: increased immigration would likely be helpful in addressing some of these critical labour shortages. With respect to the assessment

process for immigrants, the chief executive officer indicated that the current success level of immigrants challenging assessment examines "was not very high." The ITA was seeking to develop a pilot project with industry that moved the assessment process away from written tests to a system focussed more on applied knowledge rather than written exams. In addition, the ITA was working with various industry and social services agencies to provide applied English-as-a-second-language training to employees on the jobsites.

Inter-provincial agreements

Noting that the ITA has an important role in ensuring that a common training assessment criteria is in place between British Columbia and Alberta, Members also requested information on the progress being made to ensure labour mobility between British Columbia and Alberta under the *Trade, Investment and Labour Mobility Agreement.*

Concerning the assessments of skills under the *Trade, Investment and Labour Mobility Agreement,* the witness responded that the ITA that collaboration and consultation with Alberta is on the increase. The ITA is currently developing a list on the different credentialing criteria in place in both British Columbia and Alberta. However, the chief executive officer stressed that the harmonization of programs between the two provinces will occur only if the same program exists in both provinces. In several cases, Alberta has moved to align itself with the higher assessment qualifications in place in British Columbia.

STATUS OF PERFORMANCE MEASURES AND MONITORING

Several Members asked the witnesses to provide greater information on the performance measures used by the Industry Training Authority in assessing its achievements with respect to the six goals listed in the ITA's most recent service plan. Members also sought additional information strategies to increase aboriginal participation; recent changes made by the ITA in its calculations on credentials awarded; and information on the status of the rollout and funding model provided to Industry Training Organizations (ITOs).

Performance reporting update

In reviewing the performance reporting documents provided by the Industry Training Authority, committee members observed that of the ITA's 33 specific measures, baselines and targets had been sufficiently established for only 14 measures at the time of printing of the *2007/08-2009/10 Service Plan.*

The Committee notes that the ITA has made significant progress in establishing baselines and targets, as illustrated in the Authority's *Performance Measurement Report* (November 30, 2007). In this report, the ITA has currently has baseline targets for 19 of 29 performance measures, with deadlines set for establishing baselines for eight of the remaining 10 measures. With this in mind, the Committee requested the ITA to provide timelines for the remaining baselines to be established.

In a written response, the Chief Executive Officer noted that an updated list of performance measures will be included in the Authority's *2008/09-2010/11 Service Plan*, which will be released on February 19, 2008. The CEO noted that significant progress has been made in establishing the baseline performance date outlined in the *2007/08-2009/10 Service Plan*, but that some measures were delayed due to "challenges with our current information technology system — the Apprenticeship Information Management System." A new information technology system that permits reliable data extraction should be ready by July 2008.

Credentials awarded measure

Some Members observed that the Industry Training Authority has changed the way in which the Authority reports on the number of credentials awarded. Members requested the witnesses to explain whether the changes in calculating the number of challengers obtaining credentials and the time allotted for activity reporting by apprentices had exaggerated the ITA's year-over-year performance.

With respect to the increased number of credentials awarded to challengers, the Director of Client Services indicated that the substantial increase in the number of successful challengers was due in large part to credentials awarded to people graduating from welding programs — a program not previously included in the ITA's statistics. When further queried on this topic, the witness acknowledged that the total number of credentials awarded would have decreased between the fiscal years of 2005/06 and 2006/07.

Concerning the time allotted to apprentices for reporting progress on their training, the witness stated that there was uncertainty over a proper timeframe for reporting apprentice activity prior to the creation of the Industry Training Authority. The ITA's 18-month reporting guideline for apprentice activity establishes consist reporting timelines for evaluating the number of registered participants across the various trades for future analysis.

Aboriginal training opportunities

Observing that the ITA projects the development of a baseline for measuring aboriginal participation in ITA-affiliated programs by March 2008, committee members asked the witnesses to elaborate upon the Authority's plans for attracting more aboriginal persons to participate in trades training.

The Chief Executive Officer acknowledged that there have been few success stories on which to promote aboriginal participation in skilled trades. The witness identified that the ITA has hired a director of aboriginal apprenticeship to develop a strategy for aboriginal trades training in British Columbia. That strategy will attempt to build off the "pockets of success" for aboriginal trades training. Where possible, the ITA will attempt to leverage additional funding to ensure that successful programs are sufficiently funded: however, the Authority will proceed cautiously and respectfully with the various stakeholders.

Industry training organizations (ITOs)

Noting that the Industry Training Authority's second goal is to "provide infrastructure (primarily ITOs) to assure active and effective industry engagement and leadership," committee members sought additional information on the status and resources provided to the industry training organizations from the Industry Training Authority.

The vice-president of industry relations responded that the level of financial support provide to the various ITOs is "relatively small" and is to be used for administrative purposes. The amount provided by the ITA is proportionate to the level investment made by the particular industry. As the ITO matures and develops greater administrative capacity, additional funds will be available to support the added responsibilities for training oversight.

The ITA may also provide the ITOs with additional resources for the development of industry training standards and other projects on the Authority's behalf.

REVIEW OF FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

On February 6, 2008, the Select Standing Committee on Crown Corporations met with senior officials of the First Peoples' Heritage, Language and Culture Council (FPHLCC or the Council) and reviewed the following documents:

- First Peoples' Heritage, Language and Culture Council, *Annual Report 2006/07,* and
- First Peoples' Heritage, Language and Culture Council, *Service Plan 2007/08 – 2009/10.*

SUMMARY OF PRESENTATION

The Board Chair and the Executive Director of First Peoples' Heritage, Language and Culture Council provided the Committee with a joint presentation on the Council's mandate, organizational goals, key programs and services delivered, and operational challenges and opportunities.

FPHLCC was established as a Crown agency in 1991 to protect and preserve B.C.'s First Nations indigenous languages, arts and cultures. Its present mandate is fourfold: to fund cultural and language programs; to support and advise the government and First Nations leadership on initiatives, programs and services related to First Nations arts, languages and cultures; to provide services and resources for revitalization of B.C. First Nations languages, arts and cultures; and to advocate for B.C. First Nations languages, arts and cultures.

As outlined in its *Service Plan*, FPHLCC measures its performance based on five goals and associated objectives and performance reporting measures. The Council's goals include:

- creating awareness of issues relevant to the First Nations language, arts and culture in B.C.;
- delivering funding and developing strategies, tools, and resources to support the revitalization of B.C.'s First Nations arts, culture, and language, including the development of fluent speakers;
- securing sustainable and stable funding for the revitalization or First Nations arts, cultures, and languages in B.C.;
- raising the profile of FPHLCC to increase opportunities for leadership, partnering, and collaboration; and
- furthering the development of FPHLCC as a strategic, results-based organization.

FPHLCC primary program expenditures are allocated to preserving the languages of B.C. First Nations. Significant language preservation programs administered by the Council include the B.C. Language Initiative, the federal Aboriginal Language Initiative, and the innovative, web-based language tools and services offered on FirstVoices.com. The witnesses noted that the Council is in the process of documenting 26 of B.C.'s 40 indigenous languages.

Other programs in which the Council is involved include the Aboriginal Arts Development Awards and a cultural mapping exercise to as a part of its outreach activities. FPHLCC is also involved in several collaborations with other arts-related organizations to bolster and preserve traditional cultural practices.

COMMITTEE INQUIRY

Arising from the presentation made by the Board Chair and the Executive Director of the First Peoples' Heritage, Language and Culture Council, committee members identified the following issues for additional investigation:

- program funding;
- treaties ratification and future demands for services; and
- grant adjudication and monitoring.

Members also asked the witnesses for more information on the historical funding levels provided to the Council; FPHLCC's role in providing broadband internet access through Network BC; anticipated costs of language preservation; potential partnership opportunities with the Ministry of Education; and the Council's role in promoting First Nations cultural centres.

PROGRAM FUNDING

Committee members asked the witnesses to elaborate on the various sources of provincial and federal funding available to FPHLCC. In particular, Members sought clarification on the primary sources of funding available to the Council and the organization's ability to access monies targeted for culture and language preservation under the New Relationship Trust. Noting that FPHLCC receives only $222,000 in annual funding from the Department of Canadian Heritage, Members also asked the witnesses to discuss the ramifications of the federal government's decision to cut the remaining $160 million of planned program funding for aboriginal languages program. Members observed that British Columbia's share of the federal funds would have been approximately $4 million per year.

The Executive Director responded that the Council's core funding is provided by the Ministry of Aboriginal Affairs and Reconciliation (MARR). MARR's funding commitment has been relatively-constant over the past three years, but is projected to increase to $1.4 million in fiscal 2008/09. In addition, FPHLCC received an additional one-time, $1 million grant from MARR in fiscal 2006/07.

With respect to the New Relationship Trust, the Council was able to able to access $1 million from the Trust in fiscal 2007/08 for various arts and language programs. FPHLCC has used this money to leverage an additional $900,000 from partnering organizations to support language training and support programs.

Regarding the federal government's role in the preservation of indigenous language, the Board Chair expressed disappointment in the federal government's decision to cut funding for the aboriginal languages program. He also stated that opportunities are currently "very limited" for accessing additional federal funds.

TREATY RATIFICATION AND FUTURE DEMANDS FOR SERVICES

During the Third Session, the Legislative Assembly ratified treaties with the Tsawwassen and Maa-nulth First Nations. Members asked the witnesses whether the Council has entered into negotiations with either the Tsawwassen or the Maa-nulth to assist in language preservation or cultural promotion.

In response, the witnesses stated that FPHLCC is taking "a wait-and-see approach" with respect to working with First Nations that have recently ratified treaties. FPHLCC has cultivated a working

relationship with the Nisga'a Nation; however, the Council evaluates grant funding requests on the basis of merit, rather than treaty ratification progress.

The Board Chair added that following the ratification of treaties, the required resources for language and cultural promotion tend to be provided directly to the First Nation, rather than through an intermediary body such as the Council. The witnesses added that FPHLCC has many resources available that may be of assistance to First Nations with ratified treaties and would be open to working with both the Tsawwassen and the Maa-nulth First Nations in the future.

Grant Adjudication and Monitoring

Following the meeting, Members sought a written response from the witnesses pertaining to FPHLCC's processes concerning grant adjudication and monitoring. Specifically, the witnesses were requested to outline the methodology used to ensure that the grants administered meet the goals and objectives of the Council, as well as the policies in place to monitor and review the grants awarded to various organizations.

With respect to the adjudication of grants, the Executive Director explained that the management and staff of FPHLCC have "invested significant time in the development to assist applicants to complete proposals that contain all the information needed to ensure that their projects are aligned with the goals and objectives of our organization and programs." Furthermore, the Council received positive evaluations with respect to independent reviews of the Language Program, the Aboriginal Arts Development Program and the FirstVoices program.

In evaluating grant applications, the Executive Director provided the following written response:

> *(In) step one – proposals submitted to FPHLCC programs are handled with strict confidentiality by professional staff. Programs coordinators conduct the initial preliminary review and communication with applicants about their proposals and prepare for evaluation. The language staff reviews the proposals against checklists to ensure complete application. They may provide feedback to the applicant if more information is needed or if the project is not within the objectives of the program. Some applications are rejected for the following reasons:*
>
> 1. *The applicant has an open file with one of the FPC programs and owes us a report, a deliverable or has been requested to return funding. In the case of the AADA program the applicants must be in good standing with the BC Arts Council as well.*
> 2. *The proposal does not meet the objective of the programs. In most cases we are able to refer the applicant to a more appropriate program and funder.*
>
> *(In) step two – The Language and Arts program use a Peer Review Jury Process to assess the proposals. These peer review committees are composed of established Aboriginal and First Nations experts convened to thoroughly and fairly review, discuss and evaluate proposals. The committees make the final recommendation for funding. As a part of this process, the committees are instructed about the role of FPC as an organization, the objective of the programs, and the criteria.*

With respect to the monitoring of grants and ensuring applicant accountability, the witness wrote that all language program projects "have detailed Memorandums of Understanding that outline the objectives and deliverables of the project within an approved budget." Depending on the size of the grant awarded, FPHLCC may require the successful applicant to provide interim and final reporting on the project. For other grants administered, FPHLCC "invests time in the upfront assessment of

the capacity of the applicants and viability of projects to ensure a positive outcome." Program funding is distributed once scheduled milestones are met. In addition, "all programs require a final reporting including a narrative and financial report on the outcome of the projects," including samples of the delivered product and information on how the deliverables were shared within their community.

APPENDIX A: DOCUMENTS DISTRIBUTED

November 13, 2007 Meeting: Columbia Power Corporation

- Select Standing Committee on Crown Corporations, Letter of Invitation sent to Columbia Power Corporation, October 23, 2007
- Columbia Power Corporation, PowerPoint presentation, November 8, 2007
- Select Standing Committee on Crown Corporations, Letter concerning the role of Columbia Basin Trust, November 8, 2007
- Select Standing Committee on Crown Corporations, Request for additional materials by Members, November 16, 2007
- Columbia Power Corporation, Proposed edits to the November 13, 2007 meeting transcript, November 21, 2007
- Hansard Services, Confirmation of edits to the meeting transcript, November 28, 2007
- Columbia Power Corporation, Follow-up materials pertaining to additional questions posed by Members, November 29, 2007

January 16, 2008 Meeting: Industry Training Authority

- Select Standing Committee on Crown Corporations, Letter of Invitation sent to Industry Training Authority, November 28, 2007
- Industry Training Authority, PowerPoint presentation, January 10, 2008
- Industry Training Authority, Update Shareholder's Letter of Expectations, January 11, 2008
- Select Standing Committee on Crown Corporations, Request for additional materials by Members, January 16, 2008 (Re-sent: January 21, 2008)
- Industry Training Authority, Follow-up materials pertaining to additional questions posed by Members, February 1, 2008.

February 6, 2008 Meeting: First Peoples' Heritage, Language and Cultural Council

- Select Standing Committee on Crown Corporations, Letter of Invitations sent to First Peoples' Heritage, Language and Culture Council, January 18, 2008
- First Peoples' Heritage, Language and Cultural Council, PowerPoint presentation, February 1, 2008.
- Select Standing Committee on Crown Corporations, Request for additional materials by Members, February 6, 2008
- First Peoples' Heritage, Language and Cultural Council, Follow-up materials pertaining to additional questions posed by Members, Hansard revisions (February 7, 2008)
- First Peoples' Heritage, Language and Culture Council, Follow-up materials pertaining to questions posed by Members, (February 7, 2008).